

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

JULY 7, 1999

IN RE:)	
UNITED TELEPHONE-SOUTHEAST, INC. TARIFF)	DOCKET NO. 98-00560
TO OFFER A SPECIAL CONTRACT)	
ARRANGEMENT TO IBM GLOBAL SERVICES)	
FOR FRAME RELAY SERVICE)	

ORDER APPROVING SPECIAL CONTRACT ARRANGEMENT

This matter came before the Tennessee Regulatory Authority (the "Authority") for consideration of Tariff No. 98-00560 filed by the Petitioner United Telephone-Southeast, Inc. ("United") on August 13, 1998. The Tariff had a proposed effective date of September 14, 1998. At a regularly scheduled Authority Conference on September 1, 1998, the Directors voted unanimously to suspend Tariff No. 98-00560 for a period of sixty (60) days or until November 13, 1998. No petitions to intervene have been filed by any party.

United's tariff was filed in order to provide a special contract arrangement ("SCA") to IBM Global Services ("IBM Global") as authorized by Section 5 of United's General Subscriber Tariffs and pursuant to Authority Rule 1220-4-1-07. The instant tariff provides a special network arrangement to IBM Global for the provision of frame relay service that complies with customer-specific routing that is not otherwise offered under United's General Subscriber Tariffs.

This special contract arrangement is provided on a month-to-month basis. The customer is not obligated to fulfill a minimum service period. The customer can cancel the SCA at any time without incurring a termination liability. Termination charges are not applicable under any circumstance.

United will provide this service arrangement to any customer who requests it. United currently provides this exact same service arrangement (i.e., the lease of the same special equipment to facilitate a

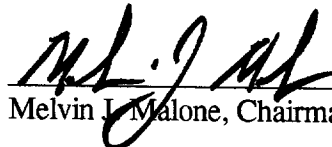
connection between the customer's access line and the Frame Relay network) to another customer under an SCA with the exact same rates, terms, and conditions that are proposed in this SCA tariff.¹

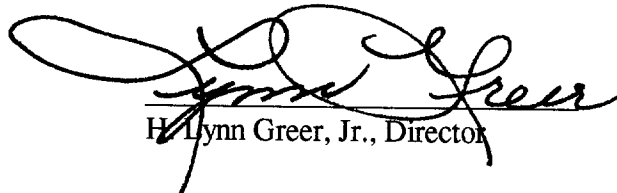
None of the information contained in the SCA is deemed by United to be proprietary. All contract provisions, including the customer's name, rates, terms, and conditions are available for any interested party to review. Finally, according to cost data previously filed by the company, the revenues generated by this SCA will cover the long-run incremental cost of the services provided.

The matter was considered on October 6, 1998 by the Authority. Based on the forgoing, this special arrangement is in compliance with applicable state law as well as the rules of the Authority, and is consistent with the public interest. Accordingly, the Authority determines that United's tariff is approved effective immediately.

IT IS THEREFORE ORDERED THAT:

1. United Telephone-Southeast, Inc.'s Tariff No. 98-00560 providing for a special contract service arrangement with IBM Global Services is approved as filed, effective October 6, 1998.


Melvin I. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary

¹ See TRA Docket No. 98-00052.